[Canada well-placed to lead climate fight; Liberals have upped clean-energy game since report ranked Canada 55th for global warming policies]

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Body

Canada might seem an unlikely candidate to be a winner in the race to create one of the world's first clean-energy economies. And yet Canada has formidable advantages.

To be sure, on a per capita basis, Canada is one of the biggest emitters of greenhouse gases (GHG) among the world's largest economies. Even on a nominal basis, Canada is among the top 10 CO2 emitters.

And in its latest annual report, the Brussels-based Climate Action Network Europe (CAN), an authoritative global watchdog, ranks Canada a miserable 55th in its climate-change policies, trailing Russia (53rd), China (48th), the U.S. (43rd) and leaders France, Sweden and the U.K.

But since the research was done for that report, Canada has upped its game.

The Pan-Canadian Framework on Clean Growth and Climate Change unveiled by Ottawa last year is among the world's most comprehensive plans for curbing global warning.

The framework established one of the few national carbon-pricing regimes among industrial economies. Putting a price on carbon is regarded as the most effective means of reducing GHG emissions.

Ottawa wants each province to implement a carbon-tax system by 2018, or the feds will impose one on holdout provinces. The carbon price is $10 a tonne by 2018, rising to $50 a tonne in 2022.

Ottawa's framework dovetails with provincial initiatives. Most provinces already had carbon-pricing schemes in place or ready to deploy. Alberta, Canada's biggest fossil-fuel producer, two years ago announced a carbon tax, a phase-out of coal-fired power plants, and a cap on oilsands emissions the same day. And the CEO of industry leader Suncor Energy Inc. stood with Notley as she outlined Alberta's game-changing plan.

Ottawa has also worked with the provinces to ensure that carbon-related funds are remitted to the provinces in which they were collected.

The only proviso is that the funds be dedicated to further GHG reductions to meet Canada's Paris Agreement commitment of a 30-per-cent reduction in emissions below 2005 levels by 2030. And that funds support businesses developing breakthrough environmental technologies.

Ottawa's new approach addresses one of the key shortcomings CAN identifies in underperforming countries: a lack of interjurisdictional co-operation and coordination.

Trudeau's holistic framework goes beyond carbon pricing.

It requires all federal buildings to use renewable energy by 2025. And last year's federal budget included more than $1 billion in financing for expansion-minded Canadian clean-tech firms. Another $200 million over four years is directed at enhanced clean-tech methods in natural-resource sectors, including heavy oil.

Ottawa's framework also calls for the phase-out of coal-fired power by 2030. And in order that progress can be measured against goals, publicly traded firms will be required to disclose their global-warming risk exposure.

Environmentalists tend to be fixated on the two Western Canadian pipelines Trudeau has approved. But there's reason to wonder if any of the pipelines recently given the green light by Trudeau and Donald Trump, the U.S. president, will be built.

Continued low oil prices, the 60-per-cent jump in U.S. domestic oil production and falling oil demand as electric vehicles (EV) become ubiquitous, argue against the pipeline promoters recovering their cost of capital on pipeline megaprojects. Each project will take about a decade to build, if they proceed at all.

The task for environmentalists, then, would seem to be a shift in their attention from one of the most visible signs of potential environmental degradation. The new emphasis would be on holding governments' feet to the fire, not only in reaching stated clean-economy targets, but on raising those targets, and applying them to every sector of the economy.

An interesting precedent was created with the ambitious "Turning the Corner" plan that then-prime minister Stephen Harper flirted with but abandoned for lack of public and industry support. It called for a carbon tax on all industrial emissions of $65 a tonne by 2018 (compared with Trudeau's comparatively modest $10 per tonne in that period).

The aborted Harper plan also required oilpatch production facilities constructed after 2012 to use carbon capture and storage technology, or cut emissions significantly by other means - a job-creating RD challenge for the industry.

For environmentalists and economic strategists, it's worth returning to those goals and championing them if deemed merit-worthy.

Similarly, pressure is required to ensure that Canada's estimated 856 clean-tech firms, which employ more than 55,000 Canadians, are adequately financed.

An April report by Analytica Advisors declared that the average firm in the sector hasn't been profitable since 2011, and that many will soon have to shut down.

Because they are especially capital-intensive and take longer to achieve sustained profitability than startups in information technology (IT) or artificial intelligence (AI), clean-energy startups are turned away by traditional funders. They're not yet receiving help from Ottawa, either, since funds directed to the sector don't start flowing until 2019.

It's on those issues that attention must be focused, and soon.

In the 10 days since President Trump withdrew the U.S. from the historic Paris Agreement on GHG reduction, nascent coalitions have already emerged to fill the void.

In the race for clean economies, the players one would be most tempted to bet on include China and an alliance between powerhouses France and Germany. The leaders of the two European economies rushed into each other's arms to recommit to the Paris Agreement just days after Trump's announcement.

But Canada can be a contender in a race for which it's much better prepared than even two years ago.

China leads the world in wind- and solar-power capacity, and also in the sale of electric vehicles. France ranks first in CAN's assessment of clean-economy progress; and Germany, ranked 29th, is the world's fourth-largest economy.

In all three countries, though, powerful vested interests oppose moving toward a carbon-free economy. Chiefly these are coal producers and owners of coal-fired power plants and factories. They are still major employers, and in China's case often state-owned.

Meanwhile, few rivals to Canada in creating a global clean-economy hub can boast as fully formed a plan for achieving a "clean economy" as Canada. And that would be even more the case if environmentalists, entrepreneurs and major corporations pressured Ottawa for improvements to an already promising framework.

If we reframe climate change, now correctly regarded as a threat to our species, as an economic opportunity of rare immensity, then Canada has a reasonable chance of becoming a global centre of best environmental practices and exportable technologies.

Because we're up against comparative superpowers and time isn't on anyone's side, the moment for us to seize this opportunity for leadership is right now.

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